

**IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
MARSHALL DIVISION**

BENEFICIAL INNOVATIONS, INC.,

Plaintiff,

vs.

CAREERBUILDER, LLC., a Delaware corporation; CNET NETWORKS, INC., a Delaware corporation; THE DALLAS MORNING NEWS, INC., a Delaware corporation; DIGG, INC., a Delaware corporation; EBAUM'S WORLD, INC., a New York corporation; GOOGLE INC., a Delaware corporation; JABEZ NETWORKS, INC., a Tennessee corporation; MORRIS COMMUNICATIONS COMPANY, LLC, a Georgia limited liability company; THE NEW YORK TIMES COMPANY, a New York corporation; YAHOO! INC., a Delaware corporation; and YOUTUBE, LLC, a Delaware limited liability company,

Defendants.

CASE NO. 2:09-CV-175-TJW

Jury Trial Demanded

**PLAINTIFF AND COUNTERDEFENDANT BENEFICIAL INNOVATIONS, INC.'S
REPLY TO COUNTERCLAIMS OF DEFENDANT IAC SEARCH & MEDIA, INC.**

Plaintiff and Counterdefendant Beneficial Innovations, Inc. (“Beneficial Innovations”) hereby answers the counterclaims of Defendant and Counterclaimant IAC Search & Media, Inc. (“IACSAM”). All of the allegations of IACSAM’s Counterclaims not specifically admitted are hereby denied.

PARTIES

1. Upon information and belief, Plaintiff and Counterdefendant Beneficial Innovations admits that IACSAM is a corporation organized and existing under the laws of the state of Delaware with its principal place of business in Oakland, California.

2. Plaintiff and Counterdefendant Beneficial Innovations admits it is a corporation existing under and by virtue of the laws of the State of Nevada and denies all other allegations contained in paragraph 2 of IACSAM's Counterclaims.

JURISDICTION AND VENUE

3. Plaintiff and Counterdefendant Beneficial Innovations admits the allegations of subject matter jurisdiction in paragraph 3 of IACSAM's Counterclaims.

4. Plaintiff and Counterdefendant Beneficial Innovations admits that venue is proper. Beneficial Innovations denies all other allegations contained in paragraph 4 of IACSAM's Counterclaims.

COUNTERCLAIMS

5. Plaintiff and Counterdefendant Beneficial Innovations admits that the '943 patent was issued by the United States Patent and Trademark Office on February 4, 2009, and that it is the owner of all rights and title to the '943 patent. Beneficial Innovations denies all other allegations contained in paragraph 5 of NBCU's Counterclaims.

6. Plaintiff and Counterdefendant Beneficial Innovations admits that it has alleged that certain acts by IACSAM infringe the '943 patent, which allegations IACSAM denies.

7. Plaintiff and Counterdefendant Beneficial Innovations admits that an actual controversy exists between Beneficial Innovations and IACSAM regarding the validity, enforceability, and infringement of the '943 patent.

FIRST CAUSE OF ACTION **Declaratory Judgment of Non-Infringement**

8. Paragraph 8 of IACSAM's Counterclaims incorporates the allegations of paragraphs 1 through 22 of its Answer, paragraphs 1 through 8 of its Affirmative Defenses, and paragraphs 1 through 7 of its Counterclaims. Beneficial Innovations incorporates by reference its response to the allegations of paragraphs 1 through 7 of IACSAM's Counterclaims. Except as expressly admitted, Beneficial Innovations denies each of the allegations of paragraph 8.

9. Plaintiff and Counterdefendant Beneficial Innovations denies the allegations contained in paragraph 9 of IACSAM's Counterclaims.

SECOND CAUSE OF ACTION
Declaratory Judgment of Invalidity and/or Unenforceability

10. Paragraph 10 of IACSAM's Counterclaims re-alleges and incorporates by reference the allegations of paragraphs 1 through 22 of IACSAM's Answer, paragraphs 1 through 8 of its Affirmative Defenses, and paragraphs 1 through 9 of its Counterclaims. Beneficial Innovations incorporates by reference its response to the allegations of paragraphs 1 through 9 of NBCU's Counterclaims. Except as expressly admitted, Beneficial Innovations denies each of the allegations of paragraph 10.

11. Plaintiff and Counterdefendant Beneficial Innovations denies the allegations contained in paragraph 11 of IACSAM's Counterclaims.

EXCEPTIONAL CASE

12. Plaintiff and Counterdefendant Beneficial Innovations denies the allegations contained in paragraph 12 of IACSAM's Counterclaims.

RELIEF REQUESTED

Plaintiff and Counterdefendant Beneficial Innovations denies that IACSAM is entitled to the relief it seeks or any relief for the allegations made in their Answer and Counterclaims. Plaintiff and Counterdefendant Beneficial Innovations requests that judgment be entered in its favor on all issues and it be awarded the appropriate damages, exceptional damages, costs, and attorneys' fees.

DEMAND FOR JURY TRIAL

Plaintiff and Counterdefendant Beneficial Innovations demands trial by jury of all issues.

Dated: December 10, 2009

Respectfully submitted,
By: /s/ Julien A. Adams

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ATTORNEYS FOR PLAINTIFF
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CERTIFICATE OF SERVICE

I hereby certify that all counsel of record who are deemed to have consented to electronic service are being served this 10th day of December 2009, with a copy of this document via the Court's CM/ECF system per Local Rule CV-5(a)(3). Any other counsel of record will be served by electronic mail, facsimile transmission and/or first class mail on this same date.

/s/ Julien A. Adams
Julien A. Adams